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C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 000579

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NSC FOR KOZAK AND WILSON

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TAGS: [PGOV](#) [PREL](#) [CASC](#) [ODIP](#) [ETTC](#) [EUN](#) [BO](#) [XH](#)

SUBJECT: US-BELARUS TALKS IN BRUSSELS ON BILATERAL TENSIONS

REF: A. 041008 02:29 GEE-NEMROFF E-MAIL  
[1](#)B. 041108 03:02 GEE-NEMROFF E-MAIL  
[1](#)C. 041108 03:25 GEE-NEMROFF E-MAIL

Classified By: USEU Political Minister Counselor Laurence Wohlers, for reasons 1.4 (b) and (d).

#### Summary

1.(C) U.S. Ambassador Karen Stewart (Minsk) met with Belarusian Ambassador Mikhail Khvastov (Washington) on April 10-11 in Brussels to address the deterioration of bilateral relations. The talks, proposed by Belarus, served to clarify respective positions, but failed to yield any substantive results. A deflated Khvastov warned that the Belarusian MFA could be expected to resume its pressure against U.S. Embassy Minsk in short order.

2.(C) Offering what he called a "small package," Khvastov asked for a partial rollback of the U.S. Treasury sanctions against Belneftikhim to exclude application to its subsidiaries in exchange for a restoration of the status quo ante for our respective embassies in Minsk and Washington. He acknowledged that GOB actions against the U.S. Embassy in Minsk were in retaliation for U.S. economic sanctions against Belarus. Ambassador Stewart rejected as a matter of principle any such linkage between the U.S. diplomatic presence in Minsk and our sanctions against the Lukashenko regime. The USG could only consider changes to our current sanction regime in response to changes in the human rights and democracy situation in Belarus, including the continued detention of high profile political prisoner Alexandr Kazulin. Khvastov insisted that he had a "presidential guarantee" for Kazulin's release, but failed to provide any timetable for it. Finally, Ambassador Stewart obtained Khvastov's assurance that he would convey U.S. concerns to senior Belarusian authorities regarding the consular case of detained American citizen Emanuel Zeltser.

END SUMMARY

#### Participants

3.(C) On the initiative of the Belarusian MFA, the U.S. Ambassador to Minsk and the Belarusian Ambassador to Washington met in Brussels April 10-11 to discuss the deterioration of our bilateral relationship. The two ambassadors met for approximately ninety minutes on both days at the U.S. Mission to the EU and the Belarusian Mission to the EU respectively. Belarusian Ambassador Mikhail Khvastov was accompanied by Belarusian Embassy to Brussels DCM Yuri Ambrazevich and Counselor Roman Romanovsky, a former U.S. desk officer at MFA, who was most recently posted to the Belarusian Embassy in Paris. Ambassador Karen Stewart was accompanied by USEU Poloff Courtney Nemroff (notetaker).

Belarus links Diplomatic Presence to US sanctions

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4.(C) From the outset, Khvostov expressed interest in discussing U.S. economic sanctions before discussing the status of our respective embassies or political dissident Alexandr Kazulin. Belarus could not separate U.S. economic sanctions from Belarusian steps against "American Embassy personnel and presence." Khvostov insisted that Stewart report to Washington a "small package" proposal as his pragmatic solution to the current situation. The package would contain the following elements:

-- USG to remove or re-interpret or in some nuanced way (mentioned upcoming rollover of underlying National Emergency finding) effect a change in the March 6 Treasury OFAC guidance within a reasonable time (July/August);  
-- GOB to release Kazulin per Belarusian President Lukashenko's "guarantee" after two required court rulings (no time set, but we perceived a hint that date could be discussed if we went with his proposal or that perhaps his suggested timing for changing the OFAC guidance corresponds to his expected date for Kazulin release);  
-- both sides re-establish full diplomatic relations in terms of original numbers of staff at Embassies and return of Ambassadors to their respective posts.  
-- After current situation resolved, we could discuss larger packages or steps.

U.S. rejects link; urges action on underlying problems

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5.(C) Deploying Washington guidance (Reftels A and B), Ambassador Stewart emphasized that the United States regarded existing U.S. sanctions and treatment of bilateral embassies

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as separate issues. She could not negotiate the status of our embassy in Minsk and suggested that the two sides instead discuss Kazulin's release. Ambassador Stewart underlined that any change to current U.S. economic sanctions could only be considered in response to significant fundamental changes to the human rights/democracy situation on the ground in Belarus, but that these issues were precisely what would be covered in senior-level dialogue immediately after Kazulin's release. Indeed, Washington was considering what amendments could be made to sanctions in return for certain improvements in the human rights situation -- should we get to that stage.

Moreover, it was in Belarus' interest to release Kazulin quickly as the overall bilateral relationship would be negatively affected by its worsening domestic human rights situation, including recent raids on journalists and the use of force against peaceful demonstrators on March 25. Stewart reiterated that Kazulin's release would be interpreted by the USG as a positive step toward improvement of relations, assuming that he was released unconditionally and that no other political prisoner cases emerged.

Possible consequences if diplomatic assault continues

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6.(C) At first, Khvostov did not refer to the Belarusian MFA's latest personnel drawdown demand on the U.S. Embassy to Minsk. Nonetheless, Ambassador Stewart warned of consequences for Minsk's diplomatic assault on U.S. Embassy operations, including a possible impact on the annual rollover of the Jackson-Vanik waiver. Khvostov objected to this description of Minsk's actions against the U.S. Embassy, but later asserted that such diplomatic pressure was the only means by which the GOB could retaliate against the United States. He did not react specifically to Jackson-Vanik point although later he acknowledged that Stewart had made clear potential future consequences.

7.(C) Later in the talks, however, Khvostov asked repeatedly whether the United States would impose more economic sanctions in response to further measures against the U.S. Embassy. Amb. Stewart stated that the USG did not and would

not link the treatment of our Embassy and current human rights-related sanctions. The two were unrelated. However, any further actions against the U.S. Embassy would only add further complications and separate consequences to the bilateral relationship.

#### A vague promise for Kazulin's release

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8.(C) Steering Khvostov back to the underlying issue, Stewart reviewed steps the USG might take in light of a Kazulin release, including rolling back parts of sanctions under appropriate circumstances. Khvostov refused to elaborate on next steps with regard to the release of Kazulin beyond the existence of a "presidential guarantee" that he would be released. Stewart noted that the regime had already compromised its credibility on Kazulin's release when it failed to make good on its offer to release him by mid-February. Khvostov dissembled, clearly giving the impression that he had not been in favor of that original promise. In any case, Stewart underscored that significant changes of the factual basis of human rights conditions in Belarus would be required to modify the March 6 U.S. Treasury guidance. In the context of these clear-cut legislative and policy requirements, she told Khvostov that Washington was unlikely to accept his "small package" proposal. She also pointed out that as Treasury gathered facts related to U.S. economic sanctions on Belarusian entities, it would likely offer further clarifications of our sanctions related to their implementation.

#### Belneftikhim subsidiaries at issue

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9.(C) Pressed to explain why Minsk regarded the March 6 clarification as a "new step," Khvostov said that it implicated "Estonians, Latvian, and even Turkish" firms. Khvostov indicated that it was this third country effect of the March 6 OFAC guidance that worried Minsk. He knew that OFAC had earlier issued broader general guidance on subsidiaries under all asset freeze regimes, but stressed that singling out Belneftikhim specifically in March 6 guidance was expanding the impact of sanctions. He also said that he was not seeking a change now in the original November sanction of Belneftikhim.

10.(C) On the second day of talks, Khvostov made plain the regime's displeasure with Treasury's clarification - going so far as to assert that he had received assurances in November 2007, that the sanctions did not cover Belneftikhim

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subsidiaries. Amb. Stewart noted that any such interpretation of the November Treasury sanctions was a misunderstanding on his part. (Note: Department later confirmed Khvostov's recollection of November meeting. End Note) In any event, the March 6 Treasury guidance only made clear what had already been made fact in the November action and in Treasury's general position on asset freeze sanctions. Indeed, that was exactly why the GOB could not expect us to just "tear up" the March 6 guidance since that would not change our legal position.

#### MFA to resume pressure for U.S. drawdown

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11.(C) Khvostov was clearly disappointed by the U.S. refusal to address U.S. sanctions in the context of the U.S. embassy situation. He repeatedly insisted his understanding that the talks agreed by Acting U/S Fried and FM Martynov were to be held "without preconditions." For his part, Khvostov took this to mean that the United States would be willing to put economic sanctions (specifically elimination or "non-use" of the March 6 OFAC guidance) on the table, along with all other issues. He complained that the US was "excluding" economic sanctions and that he would need to seek instructions from Minsk. Warning that the MFA would find our counter-proposal unacceptable, the USG could expect that the MFA would end the current "pause" in the forced drawdown of the U.S. Embassy

and resume its pressure for further staff reductions in short order. A further exchange of telephone calls between the Ambassadors on April 11 and April 14 only confirmed again our respective positions.

Stewart raises Zeltser case

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12.(C) Ambassador Stewart delivered the demarche points (Ref C) to Khvostov on the welfare of detained Amcit Emanuel Zeltser detained by Belarusian authorities since March 12. Khvostov acknowledged some familiarity with the case and undertook to convey the U.S. message of concern and demand for immediate consular access to FM Martynov. Ambassador Stewart stressed the urgency of the matter, given Mr. Zeltser's medical condition and thanked Khvostov in advance for his speedy action.

13.(U) This message has been cleared by Ambassador Stewart.  
MURRAY

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